



AB 118 (ARFVTP) Training Guidelines

These guidelines are designed to implement a new workforce training program to support the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) that was created in 2007 under Assembly Bill 118 (Nunez, Chapter 750, Statutes of 2007). The ARFVTP, administered by the California Energy Commission (CEC), was developed to support the development and employment of renewable alternative fuels and clean vehicle technologies in the marketplace. The Employment Training Panel (ETP) is partnering with CEC to deliver a workforce development and training program consistent with the goals of AB 118 (AB 118 Training Program).

Background

The overall goal of AB 118 is to transform California's fuel and vehicle types to meet the state's climate change policies. The transition from California's complex petroleum-based transportation market, to one based on a diversity of low-carbon alternative and renewable fuels and clean vehicle technologies, represents an economic development opportunity with the potential for creating new industries and "green collar" jobs. The evolution to a low-carbon transportation economy requires a well-trained workforce to produce and distribute new alternative fuels and design, construct, install, operate, service, and maintain new fueling infrastructure and vehicles.

Under the terms of an Interagency Agreement (IA) between ETP and CEC, CEC provided ETP with \$6 million. ETP planned to disburse \$5.4 million in funds to contractors who provide services for this training through reimbursable fixed-fee performance contracts, with the remaining \$600,000 to be used for ETP administration of the training program.

In SFY 2009-10, ETP funded \$1.8 million in five training projects to train 603 workers and expended over \$25,000 in ARFVTP administrative costs.

The total ARFVTP unspent funds from SFY 2009-10 was \$4.2 million. ETP received budget authority to expended \$4.2 million in SFY 2010-11. Thus, in SFY 2010-11, the Panel approved over \$3.6 million to provide training to 3,752 workers in 10 projects and expended over \$186,000 in ARFVTP administrative costs.

As of June 2011, the Panel has approved over \$5.4 million to train 4,355 workers in 15 approved projects, and has expended approximately \$212,000 in total ARFVTP administrative costs.

In March 2011, the CEC informed ETP of an additional \$780,000 in available funds from SFY 2010-11, as well as \$3.5 million in available funds to be allocated to ETP from their SFY 2011-12 Investment Plan. This equates to approximately \$4.3 million in available ARFVTP funds which ETP will obtain budget authority for in SFY 2011-12.

ETP will work with CEC to identify vendors that meet the goals of the training program. These vendors may include single employers, groups of employers, labor organizations, economic development organizations, and training agencies. ETP's services will include: marketing and outreach to potential vendors regarding the AB 118 Program; developing a career advancement training program consistent with this objective; disbursing funds to vendors for training services; providing administrative support, including project monitoring; and providing data elements to meet CEC's reporting requirements.

The AB 118 funds will be disbursed through two-year, performance-based contracts. The first projects will be presented to the Panel at its regularly-scheduled meeting in June 2010. Proposed guidelines for the Program are outlined below with reference to the “core program” infrastructure and performance standards.

The differences in performance standards are, for the most part, consistent with the approach used for developing Critical Proposals under the core program. (See Title 22, California Code of Regulations Section 4402.2.) However, there are some differences which are based on the goals of AB 118.

Project Targeting

Contracts under the IA will only fund training related to alternative and renewable fuel and vehicle technology. CEC must approve all proposals and their associated curriculum prior to presentation to the Panel.

All training must be consistent with the AB 118 Program Investment Plan. See links to Investment Plans:

- <http://www.energy.ca.gov/proceedings/2008-ALT-1/index.html>
- <http://www.energy.ca.gov/2009publications/CEC-600-2009-008/CEC-600-2009-008-CMF.PDF>
- <http://www.energy.ca.gov/2010publications/CEC-600-2010-001/CEC-600-2010-001-SD-REV2.PDF>
- <http://www.energy.ca.gov/2011publications/CEC-600-2011-006/CEC-600-2011-006-CTF.pdf>

Training may include, but may not be limited to, the following areas:

- Alternative and renewable fuel feedstock production and extraction
- Renewable fuel production, distribution, transport and storage
- High-performance, fuel efficient, and low-emission vehicle technology
- Automotive computer systems related to emissions reduction or efficiency
- Mass transit fleet alternative fuel and low-emission conversions, servicing and maintenance
- Other sectors or occupations related to the AB 118 Program’s purpose

It is possible, with CEC prior approval, that training may be funded in other sectors or occupations related to green/clean transportation.

For purposes of these projects, alternative fuel is defined as any fuel other than the traditional selections, gasoline and diesel from petroleum sources, used to produce energy or power.

- Examples of alternative fuels may include bio-diesel, ethanol, methanol, electricity, propane, compressed or liquid natural gas, and hydrogen.

AB 118 Ineligible Training

Traditional fuels and internal combustion engine vehicle technology are ineligible for AB 118 Program funding.

Examples of Ineligible Training, includes training related to:

- Diesel
- Gasoline
- Alternative Fuel Blends of less than 50%
- Internal Combustion Engines
- Basic mechanic training

Ancillary training, such as continuous improvement, lean manufacturing, and computer skills may be allowed, but training must be directly related to the AB 118 job skills training, and pre-approved by CEC. [Note: Some ancillary training may also be in business skills, with the same requirement.] Certificates of competency are not required.

AB 118 funds cannot be used for literacy or safety training, other than safety training associated with safe handling, operation, and service of alternative fuels and clean vehicle technologies.

Performance Standards

Approved Amount: No project will be funded at more than \$1,000,000, without CEC prior approval. It is expected that most projects will fall within the same range as the core program at \$500,000 for Single Employers and \$750,000 for MECs.

Post-Retention Wages: Trainees will be subject to the standard ETP Minimum Wage for Retraining and New Hire training, county-by-county with High Unemployment Area modification.

Panel Review: Proposals will be presented to the Panel using a slightly modified ETP130 format. Panel approval will be required for all projects.

ETP Agreement: Contracts will follow the ETP100 model with revised performance standards as applicable.

Turnover Rate: Employers will be required to provide turnover rate information for data-gathering. Employers with greater than 20% turnover in the preceding year will be required to provide a justification consistent with the core program.

However, given the recession and attendant volatility in the current workplace, a turnover penalty will not be assessed.

Training Hours Cap: Cost-per-trainee will be contained by a cap on hours, consistent with the core program. Greater flexibility will be used in setting the cap for hard-to-serve populations. However, hours over 300 will be subject to greater scrutiny, for both Retraining and New Hire training.

Retention: There will be new patterns for retention, the same as for the other alternative-source funding programs.

The retention period may be modified to 200 hours within 365 days for non-traditional occupations such as the building trades, on a case-by-case basis.

Note: Given the technological nature of the AB 118 Program, it is expected that the majority of hours will be delivered to incumbent workers for skill-upgrade Retraining.

Eligible Employer: No exclusion for non-profit employers, and no requirement for out-of-state competition (as compared to the core program, where funding is tied to collection of the Employment Training Tax). Public and private schools as well as training agencies must satisfy certification standards in accordance with the core program. AB 118 training contracts can be established with public agencies, cities, and municipalities.

Eligible Trainee: No history of employment or Unemployment Insurance eligibility is required. Payroll must be reported in California for all trainees.

Eligibility for Placement: New Hire trainees could be placed with any employer, regardless of whether they are subject to the Unemployment Insurance Tax.

Productive Lab (On- the-Job): Employers will be required to justify the need for productive lab training, whether simulated or on-the-job. There will be no limitation on productive lab hours. Reimbursement will match current class/lab levels.

Employer Contributions: An In-Kind Contribution will be required, consistent with the core program. There will not be a Substantial Contribution, in recognition that this is a new funding source from prior projects. Also, the modification of a Substantial Contribution requirement is consistent with Critical Proposals under the core program.

Other Areas: The AB 118 Program will follow ETP core program procedures and standards in other areas, as in the examples below:

- Marketing
- Eligibility determination

- Reimbursement rate table
- Support costs for MECs
- Variable reimbursement methodology
- Minimum and maximum range of training hours
- Class/Lab trainer-to-trainee ratios (1:20 retraining; 1:15 new hire)
- Productive Lab (On-the-Job) Training ratios (1:10)
- Proposal development and monitoring
- Progress payments